

Over 25 Years of Experience



The Forest Conservation and Development Challenge

More than 1.6 billion people depend on forests for their livelihood. One billion depend almost entirely on the medicines that come from forest ecosystems, and nearly three billion people depend on wood as their source of energy for heating and cooking. Forest cover continues to decline at a staggering 14.6 million hectares per year. This continuing loss and destruction of the world's forests is a global environmental problem, with serious social, economic, and environmental costs. Forests are critically important for sustainable development because of the renewable resources they contain and the environmental services they provide. The loss includes not only commercial timber (globally valued at \$125 billion per year) but also food, medicine, fuel and raw materials which are critical to the lives of many of the world's poorest people. Destruction of forests not only results in the loss of commercially marketed forest products, but also increased pressures on scarce forest resources in meeting the growing demands of the poor and landless. In some countries forests are also at the center of both local and regional conflicts. Such conflicts can escalate and lead to political instability. Loss of forests directly offsets and undercuts social and economic development investments due to environmental damages that result.

Twenty-five Years of Experience

The United States Agency for International Development (USAID), charged with implementing U.S. foreign development assistance, has a long history of supporting sustainable forest management. Its history can be characterized by two phases. The first phase began in the mid-1970s when the program focused on addressing the demands for fuelwood, the principle source of heating and cooking energy in developing countries. This program strategy included promoting rural forestry in the form of

communally and individually owned woodlots, and the establishment of large-scale plantations of fast-growing exotic species such as Australian eucalyptus or North American pine. Over time, it became evident from USAID's work in the Sahel that exotic trees in the plantations did not perform as well as expected. Costs soared due to the lower than expected yields. The sustainability of this approach proved questionable as governments were unable to meet recurrent cost requirements and staffing levels were inadequate. Plantations were left without maintenance and protection once donor funding ran out.

By the mid-1980s USAID evaluated the early program activities and concluded that future demands for fuelwood were unlikely to be achieved with large-scale planting schemes. Not only were fuelwood demands unfulfilled, but as a result of natural forest being cleared and converted to plantations, indigenous people were losing a wide range of other forest products important to meeting household needs and contributions to the rural economy. Scientific studies illustrated the complexity of natural ecosystems and the resulting ecological damage and loss of biological diversity associated with simplified man-made habitats such as plantations. The lessons learned launched the second phase of the forestry program. This phase shifted focus to improving the management of natural forest ecosystems and conserving biological diversity by promoting local community participation in the use and management of natural forest areas. The program was expanded from its initial limited focus on wood production to the multiple benefits of maintaining natural

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forests and promotion of sustainable natural forest management and protection.

Currently USAID promotes sustainable forest management on a global level by engaging a range of interest groups in planning and implementing forest programs. USAID works through collaborative partnerships with other government agencies; non-governmental, private, and voluntary organisations; and multilateral organizations in areas where deforestation is of major concern. The following is a summary of USAID's current forest programs.

Tropical Forests: USAID implements 44 tropical forest programs in 70 countries located in three geographic regions: Latin America and the Caribbean, Africa, and Asia. The Latin America and the Caribbean region typically represents the highest total expenditure on forestry activities of any region of USAID spending. Programs such as the Bolivia Sustainable Forest Program (BOLFOR) and the Parks in Peril Program demonstrate USAID's commitment to sustainable management of forest resources for rural economic empowerment, as well as protection and conservation of some of the world's most important biodiversity-rich tropical forests. Central Africa and Madagascar's rich tropical forests and biodiversity make the Africa region critically important to USAID's efforts to manage and protect tropical forests. USAID Missions in the Asia Near East region have worked successfully to gain the recognition of communities' rights to manage forests. The results of such rights include an increase in forest cover in Nepal, a decrease in illegal logging in the Philippines, and the protection of forests from fires in Indonesia.

Temperate and Boreal Forests: In addition to its work to conserve tropical forests worldwide, USAID is implementing activities in the temperate and boreal regions of Europe and Eurasia. Russia's forests comprise approximately 22% of the world's forests making them critical globally for mitigating climate change impacts. In Russia, USAID supports the Forest Resources and Technologies (FOREST) Project. This Project addresses fire prevention, pest management, biomass energy potential and improvement of value-added processing for timber and non-timber forest products by regional enterprise associations in Siberia and Russia's Far East, where forestry is a vital part of the economy. Other significant forestry activities supported by USAID in the region are carried out in Albania, Romania, and Bulgaria. Forest Agencies in the region are working with USAID on forest fire pre-

vention and management activities, and in strengthening the management of forested protected areas in key watersheds.

Proven Approaches

USAID's approach to promoting development in the forest sector includes: building institutional capacity to support and promote sustainable forest use and management; transferring appropriate technologies related to the technical aspects of forestry including enterprise development and marketing; fostering education and awareness of local groups and individuals as well as policy makers; and supporting reform of natural resource policies to provide a legal, economic, and social environment supportive of local forest stewardship. Since the 1990s, several lessons have emerged affecting project design; calculating costs and benefits; monitoring and assessing performance and impact. These lessons, and the level of commitment required to achieve desired long-term results, are discussed below.

Project Design: Because each country is unique, it is critical to first assess the country in terms of its biological, socioeconomic and political setting. Design interventions must be appropriate to meet the needs of each local and national setting, i.e., correspond to the specific stage of social, political, and economic development. In addition, it is important to review the full range of sectoral and non-sectoral policies that can affect forest management, identify changes necessary to enable project success, and assess the feasibility of achieving the changes. Project sites must be selected giving priority to areas where the value of biological resources is high, where host government actions indicate a commitment to sustainable forest management, and where significant local participation and opportunities for sustainable economic return from natural resources exist.

Costs and Benefits: Promoting a sense of ownership by maximizing local responsibility and authority for the management of natural resources, as well as ensuring a fair distribution of both the costs and benefits, is essential for success. An assessment of costs and benefits of forest management compared with other land use options is necessary for planning appropriate interventions. Benefits should be clearly linked to the conservation activity. Programs must address the fact that local participants encounter costs associated with their involvement: land is restricted from other uses, funds are needed to buy materials and equipment, and labor

is required to plant trees and to protect them against encroachment. These must be offset by opportunities to generate early income. Possible ventures include sustainable timber (lumber, fuelwood, charcoal, pulpwood), non-timber products (nuts, honey, rattan, tree and plant nurseries), and tourist concessions.

Monitoring and Assessing Impact: Monitoring is a critical element in evaluating the overall state of forests and effectiveness of interventions. Programs need to establish benchmarks, monitor change and measure impact to determine if adjustments are needed. Their impact, effectiveness, sustainability, and replicability should gauge the overall performance of programs. Impact can be measured at four levels: programmatic impacts (changes in knowledge, institutions, technical know-how, and economic policies that encourage environmentally responsible forest use and management); impacts on practices (adoption of environmentally sound forest use and management practices); biophysical impacts (changes in tree cover, quality of soils, and diversity of plant and animal species in forest habitats); and socioeconomic impacts (changes in income, employment, and well-being of forest users and user groups).

Level of Commitment: Forest programs must budget sufficient time and resources to ensure an activity will be sustainable after funding supports ends, particularly where institutional capacity building and natural resource policy reform are required. Also, community forestry programs require considerable effort over a period of years to set up new government structures,

erode bureaucratic resistance, test technical approaches, strengthen existing (or form new) local groups, and build trust among farmers and communities.

Future Directions

USAID supports forest conservation and sustainable management activities around the world. At the field or Mission level, USAID supports activities that can be grouped into three broad categories: national or macro-level, project or forest-level, and addressing the underlying causes of deforestation. An illustrative list is provided below of the countries with on-going or recently completed activities in these categories.

National or Macro-level

- **Democracy and Governance:** promoting grassroots democracy through community-based forest management (Indonesia, Philippines, Nepal, Ecuador, Guatemala, Albania).
- **Policy Reform:** promoting economic and financial analysis to support policy reforms that recognize the value of forests in terms of both goods and services (Nicaragua, Indonesia, Uganda, Bolivia, Central America).
- **Institutional Strengthening:** encouraging efforts to strengthen national institutions, policies, laws and administrative mechanisms (Bolivia, Indonesia, Russia Far East).

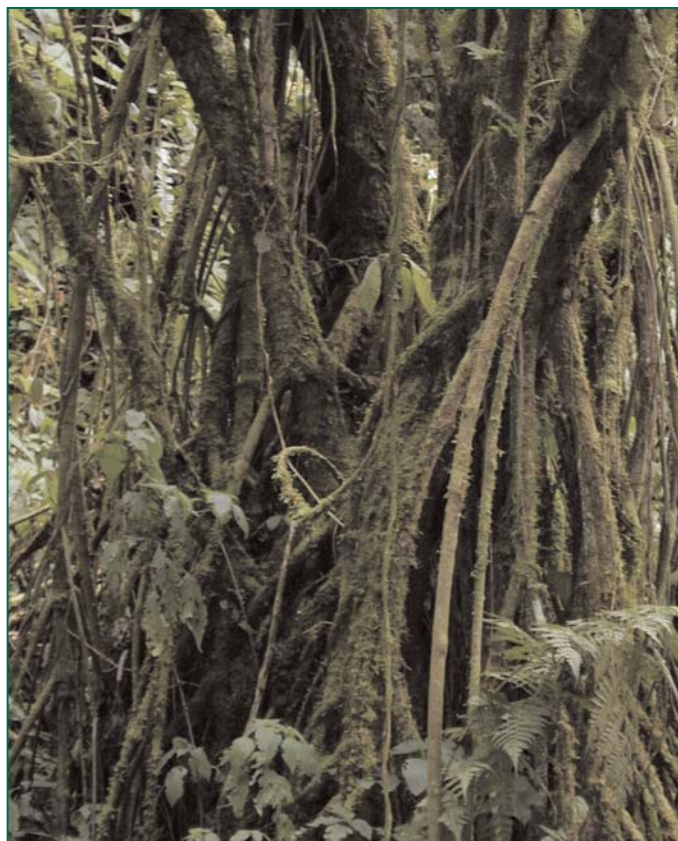
Project or Forest-level

- **Improved Forestry Practices:** supporting the development of new technologies and practices such as reduced-impact logging, pest management, and watershed assessment using geospatial technologies (Brazil, Bolivia, Indonesia, Cameroon, Russian Far East) and applied research and demonstration (Bolivia, Peru, Ecuador, Russia Far East).
- **Technical assistance and Training:** providing technical assistance, training to facilitate transfer of appropriate and environmentally sound technology such as use of remote sensing data to monitor forest health and illegal logging, improved planning using forest inventory, economic analysis and map-



ping (Kenya, Tanzania, Indonesia, Cameroon, Eastern Europe and Eurasia).

- **Forest Enterprises:** strengthening forest-related enterprises and associations by promoting processing efficiency, better business practices, and improved marketing of wood and non-timber forest products (Russian Far East, Albania, Bolivia, Guatemala).
- **Protected Areas:** assisting governments and communities to designate, monitor, and manage areas such as biosphere and ecological reserves, national parks, wildlife refuges and multiple-use forests or extractive reserves (Indonesia, Bolivia, Brazil, Kenya, Tanzania, South Africa, Madagascar, Guatemala, Mexico).
- **Information and Communication:** disseminating information and enhanced public and community education and training (South Africa, Ecuador, Panama, Kenya, Tanzania).
- **Threats and Land Conversion:** addressing the underlying causes of forest fire (Mexico, Russian Far East, Siberia, Brazil, Bolivia), the effects of



natural disaster (e.g., such as hurricanes which devastated Haiti, Dominican Republic, Guatemala, Honduras, El Salvador in previous years), and land conversion or deforestation (e.g., alternatives to slash-and-burn, agricultural expansion, distorted economic and environmental policies, land tenure and land title disputes).

Global-level Response

- **President's Initiative against Illegal Logging:** developed at the direction of the President, this Initiative focuses on three geographic forest regions: Congo Basin, Central America and Amazon Basin, and South and South East Asia. It emphasizes efforts to identify and reduce threats to protected forest areas and other high value conservation forests from illegal logging through strategic activities in the areas of good governance, community-based actions, technology transfer, harnessing market forces, and implementing the protections agreed to under the Convention on International Trade in Endangered Species.
- **International Investment:** encouraging international investment for private and public capital, which stimulates and rewards sound management practices, efficient forest resource use, and social equity (e.g., help link communities and developing country timber and non-timber forest product industries to certified products markets).
- **Conservation Finance:** promoting creative funding mechanisms to support conservation and sustainable use of natural forests (e.g., debt-for-nature swaps and the Tropical Forest Conservation Act debt reduction program).
- **International Dialogue:** supporting the U.S. government's international dialogue and negotiations through both bilateral and multilateral channels, to increase sustainable forest use and management.

USAID FOREST PROGRAM

*25 Years of Progress Toward
Sustainable Forestry*



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